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NORTH CAROLINA



COOPERATIVE CROP REPORTING SERVICE

QUESTIONS PERTINENT TO THIS ISSUE

1. WHAT IS FARMER'S SHARE OF THE CONSUMER'S FOOD DOLLAR?
2. THE "ALL FARM PRODUCTS" INDEX SHOWED AN INCREASE OR DECREASE?
3. WHAT IS THE JULY MILK PRODUCTION PER COW?
4. CHICK PRODUCTION DURING JULY SHOWED AN INCREASE OR DECREASE OVER JULY 1948.
5. N. C. FARMERS ARE RAISING 10, 25, OR 35 PERCENT MORE TURKEYS THAN IN 1948.
6. REVIEW N. C. PRICES RECEIVED INDEX.
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9. FARMERS ARE PAYING MORE OR LESS FOR FOOD?
10. TOBACCO EXPORTS SHOW AN INCREASE OR DECREASE.

No. 44

RALEIGH, N. C.

SEPTEMBER 5, 1949

AGRICULTURAL PRICES AND OTHER CURRENT ITEMS

FARMER'S SHARE OF THE CONSUMER'S FOOD DOLLAR DROPS TO 48 CENTS

The farmer's share of the retail food dollar dropped to 48 cents in June 1949. This is the first time in nearly 7 years that the farmer's share has dropped below 49 cents.

Farmers received less than half of the consumers' food dollar for the first time in 6 years, in April 1949. A year ago, June 1948, farmers received 52 cents out of the consumers' food dollar. The record high farmer's share of 55 cents was last recorded in January 1948. Thus, with the trend still downward farmers have been receiving less than one-half of the consumers' dollar for the last 3 months.

This downward trend in the farmer's share has resulted from two main causes - the reduction in retail prices and the greater relative stability of marketing margins and costs. Because of the relatively greater stability of the marketing charges, farm prices have absorbed the greater part of both the increases and the decreases in retail prices. During a period of rising prices farmers tend to benefit because of increases in retail prices and the relatively stable marketing charges whereas in a period decreasing prices farm prices tend to decrease relatively faster than retail prices.

During the last 12 months this combination of the relative rigidity of marketing margins and the greater flexibility of farm prices is again very noticeable. The retail cost of the market basket has decreased 48 dollars or about 7 percent; marketing charges have increased 3 dollars or 1 percent; while farm prices have decreased 51 dollars or about 14 percent. This resulted in a decrease in the farmer's share from 52 cents in June 1948 to 48 cents in June 1949.

The farmer's share averaged 40 cents during the 5-year period 1935-39 and reached a record annual low of 32 cents in 1932.

PRICES RECEIVED INDEX UP

The index of prices received by North Carolina farmers at local markets increased during the month ending August 15. All commodities making up the index did not increase; however, the "All Farm Products" index increased 4 points, i. e., from 237 as of July 15 to 241 as of August 15.

The grains commodity index increased 4 points due to increased prices for corn, wheat and rye (see page 2). The poultry commodity index increased 18 points due to increased prices for both chickens and eggs. Increased prices for milk and butter accounted for the increase of 4 points in the dairy products index. Decreased prices for beef cattle, sheep and lambs were responsible for the meat animals index decreasing 8 points. Hog prices remained the same, while veal calves increased 10 cents per hundred weight.

MILK PRODUCTION AT RECORD LEVEL

An estimated 156 million pounds of milk was produced during July on farms in North Carolina. This is the largest July milk production of record and 8 million pounds above milk production for July of 1948.

Milk production per cow in herd during July, at 438 pounds, was the same as last month's record high. This compares with a production of 414 pounds per cow during the same month last year. Milk cows in herds, including both milked and dry cows, during the month totaled 357,000 head, a slight increase from the June total of 356,000 head.

The condition of pastures improved considerably during July. Damage from the hot weather was lessened since pastures were in such good condition. Generally, pastures provided good grazing for the month and contributed greatly to the high flow of milk which has been at or near record levels all season.

HYBRID CORN IS NOW 32% OF NORTH CAROLINA'S TOTAL CORN ACREAGE

Courtesy of N. C. Agricultural Extension Service



N. C. PRICES RECEIVED INDEX UP 4 POINTS

The "All Farm Products" index of prices received by North Carolina farmers at local markets increased from 237 as of July 15 to 241 as of August 15. The index at 241 is 1 point above June and 7 points below May.

The increase of 4 points in the "All Farm Products" index from July 15 to August 15 was caused by an increase in commodities making up 3 commodity groups. The grains index increased 4 points due to increased prices for corn, wheat and rye. Increased prices for both chickens and eggs were responsible for an increase of 18 points in the poultry index (see table below). The increase of 4 points in the dairy products index resulted from slightly increased prices for milk and butter.

The decrease of 5 points in the cotton and cottonseed commodity group was caused by a drop of seven-tenths of one cent in the price of cotton.

The decrease of 8 points in the meat animals index resulted from a decrease of 80 cents per hundred pounds in beef cattle prices, a decrease of 20 cents per hundred pounds in sheep prices and a decrease of 60 cents per hundred in the price of lambs. Hog prices remained the same and veal calves increased 10 cents per hundred pounds.

The miscellaneous commodity group showed no change during the month.

The ratio of prices received by North Carolina farmers to prices paid by U. S. farmers increased 2 points during the month ending August 15. This compares with an index of 97 on June 15, an index of 98 on June 15 and an index of 101 in May.

PRICES RECEIVED BY FARMERS AUGUST 15, 1949 WITH COMPARISONS

COMMODITY	UNIT	NORTH CAROLINA		U. S.
		JULY 15 1949	AUGUST 15 1949	AUGUST 15 1949
<u>- DOLLARS -</u>				
CORN.....	BU.	1.41	1.43	1.18
WHEAT.....	BU.	1.92	1.96	1.79
OATS.....	BU.	.72	.75	.582
BARLEY.....	BU.	1.14	1.14	.968
RYE.....	BU.	1.85	2.00	1.20
SOYBEANS.....	BU.	1.95	1.90	2.60
COWPEAS.....	BU.	4.00	3.75	3.48
PEANUTS.....	Lb.	.108	.102	.102
COTTON.....	Lb.	.314	.307	.293
COTTONSEED.....	TON	45.00	45.00	44.40
WOOL.....	Lb.	.49	.49	.464
HOGS.....	CWT.	20.10	20.10	19.40
BEEF CATTLE.....	CWT.	18.00	17.20	19.40
VEAL CALVES.....	CWT.	22.60	22.70	22.10
SHEEP.....	CWT.	8.20	8.00	8.89
LAMBS.....	CWT.	23.50	22.90	21.20
MILK COWS.....	HEAD	132.00	132.00	176.00
CHICKENS.....	Lb.	.263	.274	.251
EGGS.....	DOZ.	.51	.55	.488
MILK, WHLSE.....	CWT.	4.40	4.50	3.87
RETAIL.....	QT.	.199	.202	.184
BUTTER.....	Lb.	.53	.54	.574
BUTTERFAT.....	Lb.	.53	.53	.605
HAY, ALL BALED.....	TON	31.80	30.00	20.80
POTATOES.....	BU.	1.25	1.55	1.54
SWEET POTATOES.....	BU.	2.45	2.45	2.67
APPLES, COMMERCIAL.....	BU.	2.10	1.90	1.94
LESPEDEZA SEED.....	CWT.	10.30	10.30	8.56
KOREAN.....	CWT.	8.00	8.00	-
KOBE.....	CWT.	12.10	12.10	-
COM. & TENN. 76.....	CWT.	18.00	18.00	-
SERICEA.....	CWT.	20.00	20.00	-

U. S. TOBACCO EXPORTS SHOW 15 PERCENT INCREASE

United States leaf tobacco exports during 1948-49 are estimated at about 505 million pounds (farm-sales weight). This is a gain of 15 percent over 1947-48 and about 8 percent above the 1934-38 average. Exports of flue-cured, dark (fire-cured and dark air-cured), and other tobacco (Burley, cigar, and Maryland) were all higher than in the 1947-48 crop marketing year. Assistance to western European countries under the ECA programs was an important factor in tobacco exports during 1948-49.

NORTH CAROLINA AND UNITED STATES INDEX NUMBERS

(N.C. PRICES RECEIVED 1909-14 = 100 PERCENT)

COMMODITY GROUP	JULY 15 1949	AUG. 15 1949	AUG. 15 1948	AUG. 15 1947	AUG. 15 1946
N. C. INDEX NUMBERS					
ALL FARM PRODUCTS....	237	241	265	268	256
COTTON & COTTONSEED..	241	236	260	274	259
GRAINS.....	166	170	204	223	215
MEAT ANIMALS.....	356	348	418	347	314
POULTRY.....	252	270	282	273	252
DAIRY PRODUCTS.....	217	221	237	218	214
TOBACCO TYPE 13.....	-	453	496	413	523
MISCELLANEOUS.....	222	222	237	241	224
RATIO OF PRICES RECEIVED TO PAID*...	97	99	106	115	127
U. S. INDEX NUMBERS					
PRICES RECEIVED.....	249	245	293	276	249
PRICES PAID					
INTEREST & TAXES....	244	243	251	234	202
RATIO OF PRICES RECEIVED TO PAID....	102	101	117	118	123

* Ratio of N. C. prices received to U. S. prices paid

U. S. PRICES RECEIVED INDEX DOWN 8 POINTS

Farm product prices on August 15, 1949, were averaging closer to the parity level than at any time since our entry into World War II. The parity ratio (ratio of Prices Received to Prices Paid, Interest, and Taxes) at 101 percent was the same as for December 1941.

The index of prices received by farmers declined 4 points to 245 percent of the August 1909-July 1914 average. Most commodities were lower than a month earlier, but important exceptions were dairy products, oil-bearing crops, and chickens and eggs. The most important declines were in fruits, meat animals, and cotton. Apples, oranges, and peaches contributed most to the decline in fruits, while lambs, sheep, and beef cattle showed greatest declines among the meat animals. On the other hand, cottonseed, soybeans, and eggs were the leaders for the commodities increasing in price during the month.

Lower living costs reduced the parity index (prices paid by farmers, including interest and taxes) 1 point during the month. The index was 243 percent of its 1910-14 base, or only about 3 percent under the record high of a year ago.

Retail prices paid by farmers for clothing, food, furniture, and building materials were down from July, while prices of farm production goods averaged the the same on August 15 as a month earlier.

COMPARISON OF U. S. PRICES RECEIVED BY FARMERS AND PARITY PRICES

COMMODITY	PRICES RECEIVED BY FARMERS		PARITY OR COMPARABLE PRICES		AVERAGE PRICES AS PERCENTAGE OF PARITY	
	JULY 15 1949	AUG. 15 1949	JULY 15 1949	AUG. 15 1949	JULY 15 1949	AUG. 15 1949
-DOLLARS-						
COTTON, LB.....	.300	.293	.302	.301	99	97
WHEAT, BU.....	1.82	1.79	2.16	2.15	84	83
CORN, BU.....	1.25	1.18	1.57	1.56	80	76
OATS, BU.....	.583	.582	.974	.970	60	60
BARLEY, BU.....	.957	.968	1.51	1.50	63	65
RYE, BU.....	1.20	1.20	1.76	1.75	68	69
BEEF CATTLE CWT.	20.00	19.40	13.20	13.20	152	147
HOGS, CWT.....	19.30	19.40	17.70	17.70	109	110
LAMBS, CWT.....	22.80	21.20	14.30	14.30	159	-
CHICKENS, LB....	.243	.251	.278	.277	87	91
EGGS, DOZ.....	.453	.488	.525	.522	90 1/	93 1/
MILK, WHLSE.CWT.	3.99	3.95 3/	3.90	3.89	102 2/	102 1/

1/ Ratio of seasonally adjusted prices to parity prices

2/ Revised

3/ Preliminary

**AVERAGE PRICES PAID BY FARMERS FOR SPECIFIED FOOD ITEMS
NORTH CAROLINA 1940, 1948 AND 1949, U. S. 1948 AND 1949**

COMMODITY	UNIT	NORTH CAROLINA								UNITED STATES					
		1940				1948			1949		1948			1949	
		MAR.	JUNE	SEPT.	DEC.	JUNE	SEPT.	DEC.	MAR.	JUNE	JUNE	SEPT.	DEC.	MAR.	JUNE
		- CENTS -													
SUGAR.....	PER 10 LB.	56	53	51	51	96	97	95	98	97	95.9	96.8	96.7	97.6	98.1
FLOUR.....	PER 25 LB.	87	85	75	78	210	200	200	195	195	204.0	197.0	196.0	195.0	194.0
BREAD, WHITE.....	PER LB.	10	10	10	10	15.4	15.4	15.4	15.1	15.2	14.2	14.2	14.1	14.1	14.1
CORN MEAL.....	PER LB.	2.3	2.3	2.4	2.3	6.8	6.7	6.0	5.5	5.6	7.77	7.65	6.39	5.9	5.7
ROLLED OATS, PACKAGED..	PER LB.	8.3	8.5	8.0	7.9	14.5	14.8	15.2	14.3	14.2	13.1	13.0	13.0	12.5	12.4
RICE.....	PER LB.	7.9	8.0	8.2	8.0	21.9	21.3	19.7	19.0	18.9	21.4	21.2	19.0	18.5	18.4
BACON, SLICED.....	PER LB.	24	24	25	26	74	74	72	61	56	73.5	74.0	71.0	61.3	57.3
ROUND STEAK.....	PER LB.	28	28	30	28	85	85	78	75	77	83.7	85.2	77.6	73.4	78.1
PORK LOIN.....	PER LB.	21	22	25	23	64	74	57	58	65	63.7	75.7	58.4	59.4	65.4
LARD.....	PER LB.	11	10	10	10	33	33	30	22.1	19.6	31.3	31.4	28.0	20.7	18.9
BUTTER.....	PER LB.	34	34	33	37	92	88	78	77	73	88.0	83.2	75.1	73.5	69.4
CHEESE, AMERICAN.....	PER LB.	24	24	23	25	64	64	60	55	52	63.6	64.3	58.7	53.5	51.7
COFFEE.....	PER LB.	17	17	17	17	52	52	52	50	51	52.6	52.7	53.1	52.8	52.5
TEA, ORANGE PEKOE.....	PER LB.	67	64	65	65	120	125	125	125	130	120.0	121.0	123.0	123.0	125.0
ORANGES, 216'S.....	PER DOZ.	20	27	-	17	31	-	27	15.0	46	42.0	-	39.6	42.6	52.6
BANANAS.....	PER LB.	5.7	5.8	5.7	5.7	14.9	15.3	14.9	12.8	15.5	16.4	16.8	16.7	16.9	17.3
APPLES, FRESH.....	PER LB.	4.3	5.3	3.4	3.6	12.8	10.3	11.0	-	15.3	12.8	11.1	12.0	14.1	15.7

* 24 pound bags prior to 1948.

FOOD PRICES SHOW LITTLE CHANGE

Prices paid by North Carolina farmers for some of the major foods as of June 15, 1949 showed only minor changes from the average prices farmers were paying three months earlier according to the June quarterly survey conducted on prices paid for food by North Carolina farmers. In comparing prices reported for June 15 of 1949 with prices paid by farmers on the same date last year a much wider margin is evident and slight declines are reported for most foods. Food prices as of June 15, 1949 were approximately 50 to 100 percent above pre-war prices. Prices reported for the United States and North Carolina are in very close agreement generally.

The table above, gives average prices paid and comparisons of some of the principal food purchased by farmers in North Carolina and throughout the United States.

FEED PRICES INCREASE SLIGHTLY

Prices paid by North Carolina farmers for most high protein and grain by-products feeds increased slightly during the month ending August 15.

Cottonseed meal, 20 percent mixed dairy feed and meat scrap showed the greatest increase in price during the month ending August 15. Cottonseed meal and 20 percent mixed dairy feed each increased 15 cents per hundred pounds, while meat scrap increased 80 cents per hundred pounds.

Middlings and corn meal decreased slightly in price while the price of bran remained the same (see table below).

FEED PRICES PAID BY FARMERS AUGUST 15, 1949 WITH COMPARISONS

FEED PER HUNDRED WEIGHT	NORTH CAROLINA		UNITED STATES	
	JULY 15 1949	AUGUST 15 1949	JULY 15 1949	AUGUST 15 1949
- DOLLARS -				
BRAN.....	3.45	3.45	3.08	2.93
MIDDINGS.....	3.70	3.60	3.30	3.17
CORN MEAL.....	4.20	4.05	3.36	3.37
COTTONSEED MEAL.....	3.45	3.60	3.87	4.08
MIXED DAIRY FEED:				
16% PROTEIN.....	3.45	3.50	3.46	3.47
18% PROTEIN.....	3.75	3.80	3.63	3.65
20% PROTEIN.....	3.80	3.95	3.70	3.76
LAYING MASH.....	4.80	4.85	4.51	4.58
SCRATCH GRAIN.....	4.25	4.25	3.91	3.88
MEAT SCRAP.....	7.70	8.50	7.54	8.44

BROILER PLACEMENTS UP 14 PERCENT ABOVE 1948

Placements of chicks with commercial broiler producers in the Chatham and Wilkes areas during July was 14 percent above placements in the two areas during July of last year according to reports from hatcherymen and dealers serving these areas. Total number of placements for July was reported at 1,596,000 chicks as compared to placements during June of 1,540,000 chicks.

Eggs set and chicks hatched in the two areas during July were slightly above operations for the same period last year. Hatcherymen reported 1,904,000 eggs set and 1,486,000 chicks hatched during July of this year as compared to 1,521,000 eggs set and 1,320,000 chicks hatched during July 1948.

During the first seven months of 1949 there were 11,856,000 chicks placed with broiler producers in the Chatham and Wilkes areas combined. Of this number, 7,286,000 were placed in the Chatham area and 4,570,000 into the Wilkes area. During the corresponding period in 1948 placements in the Chatham area totaled 6,272,000.

U. S. APPLE PRODUCTION

The 1949 United States Commercial apple crop is forecast at 127,823,000 bushels, 45 percent above the short 1948 crop and 15 percent above average. This is the largest crop since 1939 when production totaled 139,247,000 bushels. Summer apples are estimated at 7,393,000 bushels, two-thirds above last year. California Gravensteins, at 3,316,000 bushels, are also two-thirds above last year and account for 45 percent of the U. S. summer crop.

The fall apple group is about 1½ times the 1948 production and includes 14 percent of the U. S. Commercial crop. Prospective 1949 production of the important fall apple varieties and changes from 1948 are as follows: Jonathan 9,845,000 bushels, 51 percent more; Wealthy 2,579,000 bushels, 20 percent more; and Grimes Golden 2,733,000 bushels, 33 percent more.

Winter varieties are estimated at 102,083,000 bushels, two-fifths more than in 1948 and includes 80 percent of the U. S. Commercial apple crop. The crop of delicious apples is indicated at 24,426,000 bushels, 36 percent above last year. This variety accounts for 24 percent of all winter apples and 19 percent of the commercial apple total. The Western States have prospects for 17,825,000 bushels of Delicious apples, 19 percent more than in 1948.

McIntosh apples, with 12,815,000 bushels, are the second most important apple variety this year, exceeding the Winesaps total of 12,069,000 bushels by 6 percent. The McIntosh crop is forecast as 50 percent above last year and Winesaps as 22 percent more.

FARM REPORT

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Bureau of Agricultural Economics
Raleigh, N. C.

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SEPTEMBER 1949

FARM REPORT

PAGE 4

TAR HEEL FARMERS RAISING RECORD TURKEY CROP

North Carolina farmers are raising 486,000 turkeys this year -- 35 percent more than last year and 90 percent more than the 1936-45 average. Preliminary estimates as of August 1 indicate one of the largest turkey crops of record and exceeds the previous record of 421,000 in 1946 by 15 percent. This year's large crop follows two years of sharp decreases -- 10 percent in 1947 and 14 percent in 1948. Growers in 1948 enjoyed a seller's market. Turkeys were in short supply and prices received were the highest of record.

Feed prices began to decline in May 1948 and by the spring of 1949 feed prices were cheaper than a year earlier by more than a dollar per 100 pounds. Lower feed prices and the record price farmers received for turkeys in 1948 brought about renewed interest in the turkey production, attracting many newcomers to the industry as well as the "in-and-out" producers who were out of the turkey business in 1948. Generally, the newcomers are beginning on a small scale; however, some of the newcomers are raising rather large flocks of turkeys. Growers report that death losses of poults have been heavy this year. This is probably partially due to large numbers of newcomers that have entered the turkey industry. Weather conditions and management generally determine the death loss among poults.

Farmers over the United States are raising 41,107,000 turkeys this year, 29 percent more than last year. This is the second largest crop of record, being exceeded only by the 1945 crop when farmers over the Nation raised 44 million birds.

TURKEYS RAISED ON FARMS 1949 WITH COMPARISONS, N. C. AND U. S.

YEARS	N. C.	U. S.
AVERAGE	THOUSANDS	
1936-45	256	32,611
1946	421	40,724
1947	379	34,970
1948	360	31,793
1949	486	41,107
1949 AS % OF 1948	135%	129%

1/ Revised
2/ Preliminary estimates as of
August 1, 1949

N. C. AND U. S. FARM REAL ESTATE TAXES IN 1948

North Carolina Farm real estate taxes per acre averaged about 7 percent higher in 1948 than in 1947. This is the fourth consecutive year in which the real estate taxes per acre have risen. Average taxes per acre for the State increased from \$0.44 in 1947 to \$0.47 in 1948 and in the index (1909-13=100) advanced from 554 to 594 during the same period.

Taxes per \$100 of real estate value for North Carolina increased to \$.57 in 1948 from \$.56 in 1947.

Farm real estate taxes per acre for the Nation averaged about 8 percent higher in 1948 than in 1947 and marks the fifth consecutive year in which the average for the country as a whole has risen. Average taxes per acre for the United States increased from \$0.53 in 1947 to \$0.57 in 1948 and the index advanced from 254 to 275. This rate of increase, however, is not as great as it was for 1947 when the index rose 15 percent. The index series, which goes back to 1890, is now nearing the all-time high of 281 that was reached in 1929.

PRICES OF BABY CHICKS

Average prices received per 100 chicks by North Carolina hatcheries on August 1 showed little change from the prices received a month earlier. In the heavy breeds, sexed pullets dropped \$1.00 per hundred, while straight-run and sexed cockerels of this same breed remained unchanged from a month earlier. For the light breeds the only reported change occurred in the sexed pullets which dropped \$.50 per hundred. Straight-run chicks of cross breeds dropped \$.50 per hundred under the price reported for July 1.

CHICK PRODUCTION UP 33 PERCENT

The number of chicks produced by North Carolina commercial hatcheries in July was 33 percent more than was produced during July last year, and 72 percent above the July 1943-47 average hatch of 1,809,000. July production totaled 3,095,000 chicks. The drop in prices for broilers during June brought a rather sharp drop in the demand for broiler chicks during July, causing some hatcheries to reduce their operations during the month; however, broiler prices improved considerably during the latter part of July. The demand for broiler chicks still remains fairly good.

Production of chicks in North Carolina for the first 7 months of this year totaled 39,090,000 -- an increase of 33 percent above the 29,407,000 chicks produced during the same period last year.

Over the entire United States commercial hatcheries produced 58,337,000 chicks during July. This was 5 percent more than the hatch of 55,632,000 during July last year, but 5 percent below the July 1943-47 average hatch.